Oregon Department of Early Learning and Care

2026 Legislative Session Report

Overview

On March 6, the Oregon Legislature concluded the 2026 Legislative Session. Legislative sessions in the even numbered years are fast-paced and last a maximum of 35 days. In short sessions, the legislature tends to focus on making urgent budget adjustments and there are limits on the number of bills that can be considered. State agencies are not allowed to introduce bills in the short session.

As a Governor-led executive branch agency, the Department of Early Learning and Care (DELC) did not take a position on any legislative proposals, but we were following many policy bills that will impact our work or the communities we serve. These measures are summarized below.

DELC Budget

House Bill 5204 – End-of-Session Budget Bill

HB 5204 is a state financial administration bill that makes budget adjustments for the current biennium, including adjustments to biennial appropriations from the General Fund to state agencies for the administration of programs and services. Before session began, state leaders warned of cuts to agency budgets due to a forecasted decrease in state revenue and an increase in spending related to H.R. 1 – federal legislation signed in July 2025 that introduced significant changes in tax policy, healthcare, and federal spending. Based on these federal changes and a decrease in forecasted revenue, in November 2025, DELC and other agencies were asked to submit memos to the legislature outlining 2.5 and 5 percent reductions to their 2025-27 budgets, The February 4, 2026 revenue forecast improved the state's financial picture to some degree.

Overall, the budget balancing required in the 2026 short session was less drastic than expected. DELC received a $1.1 million ongoing reduction in services and supplies, but retains the ability to determine how that reduction is applied.

The legislature also made a one-time $32 million fund swap from General Fund to Other Fund/Early Learning Account for the Oregon Prenatal to Kindergarten (OPK) program. This change is not considered a reduction because it just shifts the source of funds, not the amount, for a small portion that will contribute to the OPK budget this biennium. We do not anticipate the need for any grant amendments due to the fund shift.

Finally, the legislature increased DELC's federal fund limitation for ERDC by $67 million. A fund limitation is essentially spending authority to use some of DELC's CCDF carryforward, and the $67 million is intended to address a majority of the anticipated budget deficit for ERDC this biennium. The limitation is one-time, meaning the ERDC budget will not retain the increase in future biennia.

Effective Date: April 7, 2026

Bills Impacting DELC

House Bill 4022 – Oregon Imagination Library Program

HB 4022 is a bill sponsored by House Majority Leader Ben Bowman that establishes the Oregon Imagination Library program in state law. The Dolly Parton Imagination Library program provides a free book each month to children from birth to age five. The Imagination Library program has been active in Oregon for many years, primarily supported through philanthropic or nonprofit groups in select communities.

In the 2023 session, the Legislature allocated $1.7 million to the Department of Early Learning and Care (DELC) to administer a statewide program and provide a 50 percent match to local partners for the cost of books and mailing. In April of 2025, the Oregon Imagination Library program achieved statewide coverage, defined as coverage across all counties and all zip codes and enrollment of at least 65 percent of all eligible children in the state.

While the passage of HB 4022 will not change how DELC has been administering the program, embedding the Imagination Library in Oregon law signals a commitment by the state to making sure that all children have access to high quality books to promote early literacy.

Effective Date: January 1, 2027

House Bill 4057 – Early Childhood Program Resources

HB 4057 directs DELC to work with the Oregon Department of Human Services (ODHS) to provide information on publicly funded early learning and care programs and resources to families who apply to the Employment Related Day Care Program (ERDC). Programs listed in the bill include Oregon Prenatal to Kindergarten/Head Start, Baby Promise,

Preschool Promise, Healthy Families Oregon, Early Learning Hubs, Child Care Resource and Referral Entities, and Relief Nurseries.

The ERDC subsidy program has had a waitlist since November 2023, shortly after DELC launched as an agency and took over the program. There are currently around 11,900 families on the ERDC waitlist. One goal of HB 4057 is to raise families' awareness about other programs or services for which they may qualify if they are placed on the waitlist.

While DELC administers the ERDC program, ODHS manages eligibility through the Oregon Eligibility Program. The measure was written broadly so that DELC and ODHS can provide standardized information to families in multiple formats, depending on how a family comes into contact with an ODHS eligibility worker.

Effective Date: April 7, 2026

Senate Bill 1535 – Employment Related Day Care Priority and Child Care Liability Insurance Workgroup

SB 1535 is sponsored by Senator Dick Anderson and was introduced as a placeholder bill related to child care. As adopted, the bill includes two parts.

TANF Bypass for Employment Related Day Care Waitlist

In 2021, House Bill 3073 established DELC to provide early learning and care service in Oregon. The bill moved administration of the Employment Related Day Care Program (ERDC) subsidy program to DELC from the Oregon Department of Human Services (ODHS) and merged the former Temporary Assistance for Needy Families (TANF Jobs) Program into ERDC through language requiring DELC to prioritize families receiving TANF. Although the legislature made policy changes in recent years that improved access to ERDC for both families and providers, those changes did not come with additional funding. In November 2023, just three months after DELC launched as an agency, a waitlist was instituted to control the program budget. However, as a priority population, TANF families continue to bypass the waitlist at a higher rate than families leaving the program. This has made the waitlist a less effective tool for maintaining a caseload within the ERDC budget.

SB 1535, Section 1 includes a small change to ORS 329A.500(5)(b)(B) from a "shall" to a "may," allowing DELC to bring the TANF bypass population for ERDC into alignment with other ERDC bypasses through rulemaking. This would provide DELC with a tool to "pause" any bypass populations while the caseload stabilizes through natural attrition (families aging out or exceeding program exit limits). The measure does not require DELC to temporarily pause the TANF bypass or any other bypassing populations, but makes the tool available as a caseload management strategy as the agency works to stay within

available budget. The Early Learning Council will need to adopt an administrative rule related to SB 1535.

Child Care Liability Insurance Work Group

Section 2 of SB 1535 requires DELC to convene a work group to study the cost and availability of liability insurance and other liability issues facing child care providers. The objective of the work group is to study these challenges and develop strategies for lowering insurance costs for providers in the state.

DELC must select work group members in Consultation with the Department of Consumer and Business Services (DCBS). Work group members will include representatives from certified, registered, recorded and exempt child care providers; insurance industry representatives; representatives from DCBS and the Department of Administrative Services; and other representatives that DELC determines necessary to fulfill the requirements of SB 1535. The work group must review information and research from within Oregon and nationally concerning the impact of liability insurance and regulations pertaining to insurance requirements applicable to providers of child care and child care facilities as defined in ORS 329A.250, including certain types of care that are exempt from DELC regulation.

The workgroup must prepare a report by November 2027 summarizing their findings, including policy options to increase provider access to liability insurance and reduce the financial burden of insurance on providers, and explore the feasibility of using liability immunity, damage caps or other strategies affecting availability and affordability.

Effective Date: June 5, 2026

Other Bills of Interest

House Bill 4079 – Immigration Enforcement on School Property

In 2011, U.S. Immigration and Customs Enforcement issued a memo governing enforcement at sensitive locations, including K-12 schools and post-secondary institutions. Immigration agents were directed to limit enforcement in and near these protected areas to the greatest possible extent, with limited exceptions. The memo was revoked in January 2025.

HB 4079 requires school districts, education services districts, charter schools, and institutions of higher education to adopt policies for confirming and notifying their communities when federal immigration authorities enter school property for enforcement purposes. The policy must include a process by which community-based services providers can receive the notice required by HB 4079. Many education service districts

are also DELC grantees, and early learning providers and programs that are located within public schools will likely be required to follow federal immigration presence policies adopted by their district or school.

Effective Date: September 30, 2026

House Bill 4092 – Counterfeit Car Seats

Car seats are designed to protect children and can be life-saving when they meet rigorous federal safety standards. However, products that have not been tested or certified to U.S. standards remain available in the marketplace, creating the risk that parents will unknowingly purchase car seats that fail to protect children.

HB 4092 addresses the growing prevalence of counterfeit car seats sold online by prohibiting the sale of child safety systems that do not comply with federal safety standards, and requires retailers to clearly disclose compliance information to Oregon families. Enforcement is through a private right of action.

Effective Date: January 1, 2027

House Bill 4177 – Public Meetings: Serial Communications

Oregon public meetings law requires meetings of governing bodies to be open to the public at accessible locations, and with appropriate notice of the times and places of the meetings. Changes were made to the law in 2023 to specify that it may be considered a public meeting when serial electronic written communication (email) is used to communicate between a quorum of the members of a governing body. The bill included training requirements, a complaint process, and gave the Government Ethics Commission authority to enforce violations of public meetings law.

HB 4177 modifies these provisions, amending the definitions of "convening" and "deliberation," and clarifies what types of serial communications are subject to the law. It also changes grievance procedures, training requirements, and enforcement provisions.

Effective Date: June 5, 2026

House Bill 4149 – Supports for Children Experiencing Homelessness

The McKinney-Vento Homeless Assistance Act is the federal law governing the education rights of students experiencing homelessness. It authorizes the federal Education for Homeless Children and Youth (EHCY) program. Current statute relies heavily upon federal requirements of the McKinney-Vento Act to ensure equity for students experiencing homelessness.

HB 4149 requires Oregon school districts and education service districts to support children – including preschool children - experiencing homelessness, given recent uncertainty

around EHCY program funding. The bill defines "preschool" to mean an early childhood program: (a) That serves children from birth through five years of age; (b) That receives public funding; and (c) For which a school district is accountable for providing early childhood education services or for which a school district is a financial or administrative agent.

The bill requires immediate enrollment without documentation typically required for enrollment, prioritizes school stability by allowing students to remain in their school of origin, mandates transportation to school and extracurricular activities, and designates local liaisons in each district to coordinate services. It also creates a dispute resolution process and directs the Oregon Department of Education to appoint a state coordinator to oversee compliance, provide technical assistance, and collaborate with early childhood programs to ensure preschool-aged homeless children have access to services under McKinney-Vento protections.

Effective Date: January 1, 2027

Senate Bill 1546 – AI Chatbots

SB 1546 is a measure sponsored by Senator Lisa Reynolds aimed at protecting young people against the mental health risks of AI programs that mimic personal conversations. The bill is a response to several cases over the past few years of AI chatbots, including ChatGPT and Character.AI, contributing to teen suicides, according to parents' testimony before a U.S. Senate committee last year.

The bill requires AI chatbot platforms to clearly notify users that the output they are receiving is generated by artificial intelligence and requires companies to use a protocol for using evidence-based methods for detecting input from the user that consists of suicidal or self-harm ideation or intent and that prevents the provision of content to the user that perpetuates their ideation or intent. The protocol must require chatbots to provide individuals with information on the national 9-8-8 suicide and crisis hotline. The bill includes additional guardrails for users who are minors.

Effective Date: January 1, 2027

Senate Bill 1568 – Momnibus Update

In 2025, Senator Lisa Reynolds introduced a package of bills designed to address the needs of vulnerable families in the perinatal period – from pregnancy to a child's first. The "Momnibus" initiative focuses on reversing cycles of poverty, drug addiction, and other behavioral health challenges by funding programs that support these families. Two bills passed in 2025 to advance this work: SB 690 preventing eviction of babies in their first year, and SB 692, expanding access to doulas and lactation counselors.

SB 1568 makes technical adjustments to SB 692 to address challenges identified during implementation. It modifies doula and lactation counselor coverage by Medicaid and health benefit plans, shifts lactation counselor credentialing to the Traditional Health Worker Commission from the Health Licensing Office, and pushes implementation dates out to allow more time for rulemaking by the Oregon Health Authority.

The bill also codifies the OHSU Oregon Perinatal Collaborative (OPC) in statute. OPC is charged with coordinating statewide efforts for quality improvement in maternal and infant health and developing policy recommendations to further maternal and infant health. OPC received state funding in 2025, and this measure codifies the program in Oregon law.

Effective Date: March 31, 2026

Senate Bill 1587 – Data Brokers and Personally Identifiable Information

In 2023, Oregon enacted HB 2052 requiring data brokers to register before collecting, selling, or licensing brokered personal information beginning January 1, 2024. SB 1587 prohibits public bodies from disclosing personally identifiable information to a data broker without an accepted attestation from the broker that the data will not be sold or transferred to an entity that will use the information for immigration enforcement.

Effective Date: June 5, 2026

Senate Bill 1594 – Immigration Enforcement Model Policies

In 1987, Oregon adopted a sanctuary law preventing state and local police and government agencies from assisting federal authorities with immigration enforcement. In 2021 the Sanctuary Promise Act was passed to increase safety and protection measures for immigrant communities through increased support, as well as transparency and accountability regarding government interactions with federal immigration authorities.

SB 1594 allows the Office of Immigrant and Refugee Advancement (OIRA) to coordinate with the Oregon Department of Justice on development, review, and updates to model policies around immigration enforcement. The bill aligns with the Governor's recent executive order appointing OIRA to lead an Interagency Council for Immigrant and Refugee Coordination to establish consistent processes and communication among state agencies and with communities across Oregon. DELC is a member of the Council.

Effective Date: March 31, 2026

Senate Bill 1596 – Play-Based Learning

SB 1596 requires the Department of Education to allow play-based learning to be considered instructional time for elementary school students. "Play-based learning" is

defined as learning that emphasizes free play or guided play and uses developmentally appropriate strategies that can be integrated into existing learning standards.

This bill would support alignment between early learning and child care providers and schools by supporting and allowing play-based learning to occur in elementary schools. Play Based learning is developmentally appropriate and supported by best practice and research for children ages 0-8.

Effective Date: January 1, 2027

Questions about this report?

Contact Kate Denison, Government Affairs Manager: kate.denison@DELC.oregon.gov